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E/ORF/FSE/WClark, Jr:led
1/15/70

January 12, 1970

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

[REDACTED]

Charles Bray, AF/N
Roscoe Suddarth, Country Officer,
Libya, AF/N
Warren Clark, Jr., E/ORF/FSE

SUBJECT: Outlook for Oil Companies in Libya

COPIES TO: AF/N (2)

[REDACTED]

① Mr. Bray described trends in Libya since the September coup. He said the many of the bureaucrats in the Petroleum Ministry are knowledgeable and competent technicians, some of whom have had American training, but that members of the Revolutionary Command Council are very young and inexperienced. These

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young leaders, he said, are very idealistic, and anxious to develop Libya's human, technical and financial resources through negotiations with the oil companies. However, Mr. Bray said there have been signals that if the oil companies do not appear to be responsive to Libya's needs as the RCC perceives them, the new leadership is willing to push very hard to achieve their goals. Mr. Bray said Libyans hold the firm belief that the posted price is too low and should be raised. Negotiations on this issue will start soon.

The revocation of Chappaqua's concession was discussed, as well as actions since the coup against banks, certain hospitals, and a tobacco concern. It was noted that the new regime had in most cases taken action because of a claimed breach of contract or had compensated owners of the property taken over.

However, Mr. Bray stressed we could not predict what actions the new regime might take in the future with regard to oil companies, especially if the companies did not appear to be responsive to Libyan needs. On the other hand he noted that friendly gestures were very warmly received.

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